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FOREIGN CROPS and MARKETS

UNITED STATES DEPARTMENT OF AGRICULTURE
OFFICE OF FOREIGN AGRICULTURAL RELATIONS

WASHINGTON, D. C

Vol. 46

April 12, 1943

No. 15

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LATE FOREIGN DEVELOPMENTS

ARGENTINA: The first official estimate places the 1942-43 corn crop at 74,799,000 bushels, compared with the 1941-42 production of 355,649,000 bushels and the average of 319,000,000 bushels during the 10 years, 1932-31 to 1939-40. A discussion of the Argentine corn situation will appear in next week's issue of Foreign Crops and Markets.

RUMANIA: Fall-sown crops came through the winter in good condition. The area seeded to wheat is said to be about normal and considerably above last year's reduced acreage, so that no extensive spring-wheat plantings are contemplated.

ARGENTINA: The first estimate of the 1942-43 rice crop places production at 5,279,000 bushels as compared with the final estimate of 5,296,000 bushels for 1941-42. The acreage was expanded more than 20 percent this season, but dry weather reduced the yield per acre substantially.

URUGUAY: Area planted to edible oils in 1943 with 1942 revisions in parentheses: Sunflower seed 88,929 acres (146,810), peanuts 12,637 acres (19,336). It is possible that sunflower-seed production may not exceed 20,000,000 pounds. (See Foreign Crops and Markets, March 29, 1943.)

G R A I N S

URUGUAY'S 1942-43 WHEAT OUTTURN BETTER THAN
EXPECTED; CORN CROP MUCH BELOW AVERAGE . . .

The Uruguayan grain harvest in 1942-43 was relatively good for small grains, but the corn crop is a virtual failure, according to information received in the Office of Foreign Agricultural Relations. The wheat harvest, which was completed in January, is now officially estimated at 12,468,000 bushels. At this level the crop exceeds official forecasts, which had placed the current harvest at 10,626,000 bushels, and is only about a million bushels below the good outturn of last year. The quality of the grain is reported to be excellent.

URUGUAY: Acreage and production of grains, average 1931-32 to 1935-36,
annual 1936-37 to 1942-43

Year a/	Wheat	Corn	Oats	Barley	Rye
	1,000	1,000	1,000	1,000	1,000
<u>ACREAGE</u>	<u>acres</u>	<u>acres</u>	<u>acres</u>	<u>acres</u>	<u>acres</u>
Average 1931-32					
to 1935-36 ...	1,116	536	181	b/ 18	c/
1936-37	986	538	179	b/ 28	c/
1937-38	1,375	529	221	41	c/
1938-39	1,256	541	246	52	1
1939-40	1,165	516	215	45	1
1940-41	926	573	225	55	c/
1941-42	1,123	560	153	54	c/
1942-43 d/.....	995	399	156	65	1
<u>PRODUCTION</u>	1,000	1,000	1,000	1,000	1,000
Average 1931-32	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>
to 1935-36 ...	11,422	5,537	2,628	b/ 268	2
1936-37	9,246	4,579	1,999	b/ 309	1
1937-38	16,575	5,227	3,328	691	1
1938-39	15,461	6,246	3,586	770	5
1939-40	9,901	5,011	2,764	631	4
1940-41	7,060	4,670	1,313	444	e/
1941-42	13,668	4,821	2,454	660	1
1942-43 d/.....	12,468	1,350	2,124	679	5

From reports of the American consulate, Montevideo.

a/ Dates refer to crop years. b/ Excludes malting barley. c/ Less than 500 acres. d/ Preliminary. e/ Less than 500 bushels.

The crop was harvested from a below-average acreage, indicating a near-record yield per acre. The high yields were not anticipated, in view of the severe drought experienced, which it now appears curtailed acreage harvested rather than yields. The area, as reported, was 128,000

acres below that of the preceding year. Reports indicate that some seeded acreage was diverted to pasture and forage, as a result of natural pastures having been dried up by the drought.

The wheat carry-over on November 30 from last year's good crop was estimated at about 3.5 million bushels, and, added to the new crop, results in a total supply of around 16 million bushels, which is well above the estimated domestic requirements for 1943, now placed at around 11.5 million bushels. This would appear to leave some reserve for carry-over and export. Consumption in 1942 was less than had been estimated due to the high price level.

The surplus is almost entirely in the hands of the Bank of the Republic, which has sustained a considerable loss through its wheat transactions, the grain having been bought at prices varying from 7.50 to 8.00 pesos per 100 kilograms (\$1.08 to \$1.15 per bushel converted at the free rate of exchange) and the price offered by Brazil, the chief outlet at this time, being only from 4.50 to 5.00 pesos per kilogram (\$0.65 to \$0.72 per bushel). Since export demand is greatly curtailed at present and, as the price of the 1942 crop to local mills was fixed at 7.50 pesos, or less than the average season price paid to producers, the Bank is finding both domestic and export transactions unprofitable. The Bank is reported to be obligated to buy all wheat that is offered at the fixed price, both of the 1942 and 1943 crops.

The prices fixed on the 1943 crop are low enough to allow the Government some profit. Prices are on an ascending scale, starting with 6.30 pesos per 100 kilograms (\$0.90 per bushel) to producers in December and January, and increasing 7 centesimos per month until the maximum of 7.00 pesos (\$1.00 per bushel) is reached in November 1943. The official price paid by millers remains unchanged at 7.50 pesos, the difference between this figure and the price to producers or intermediaries being paid to the Bank of the Republic. (See Foreign Crops and Markets, January 25, 1943.) Though production costs have increased considerably in recent months, farmers are said to consider the lowered prices still adequate to cover costs. Exporters and millers, on the other hand, are reported to find them too high, even at the lower figures.

The Bank is authorized to divert a maximum of 735,000 bushels of its stocks of wheat to feed use, and to establish prices for the grain for feed. It is likewise authorized to import a maximum of 10,000 tons of middlings. Maximum prices of 3.75 pesos per 100 kilograms (\$0.90 per 100 pounds) have been established for the sale of bran and middlings from miller to intermediary, and 3.80 pesos (\$0.91 per 100 pounds) for that sold directly to the consumer.

Corn, which is the second grain in importance in Uruguay, was greatly damaged by the drought and is now forecast at about 1,350,000 bushels. This is the smallest crop on record and is the result of heavy

abandonment, estimated to have been from 35 to 40 percent. In some regions, the entire acreage has been shifted to emergency pasturage, according to reports, since cattle forage has become extremely scarce. The corn acreage is estimated at 399,000 acres compared with the 1942 area of 560,000 acres. Per-acre yields are estimated to be much below average.

Production of oats in 1942-43 is estimated at 2,124,000 bushels, or slightly below the 1941-42 harvest of 2,454,000 bushels. Domestic supplies are not sufficient to fill requirements resulting from increased use of horses, and imports of about 430,000 bushels were reported during the first 10 months of 1942. Trade sources fear that a large proportion of the crop may not be marketed because of the forage shortage. Winter forage has been so reduced by the drought that the Government will, under a decree of February 1943, purchase either domestically or abroad, about 690,000 bushels of oats to be used for seeding pastures.

The total barley crop is estimated at 679,000 bushels, or very little change from the 1941-42 production of 660,000 bushels. It is estimated that large quantities are being consumed as emergency forage and that supplies entering the regular market channels will be below requirements, and imports will be necessary.

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HAITI DECREES ADMIXTURE OF OTHER FLOURS
WITH WHEAT; SETS MAXIMUM PRICES . . . 1

The Government of Haiti early in December authorized the admixture of up to 15 percent of corn, manioc, and banana flour with wheat flour for making biscuits, according to information received in the Office of Foreign Agricultural Relations. In January 1943 the use became mandatory and was extended also to bread making. The purpose of the order is to conserve supplies of imported wheat flour.

Flour to be mixed with wheat must comply with specifications established for color, quality, and degree of fineness. Any delivery of flour not complying with the specifications will, according to reports, disqualify the manufacturer for future operation. Mills engaged in grinding flour for admixture must furnish certificates showing that the sanitary conditions under which it was manufactured were satisfactory.

The Government recently adopted measures intended to control stocks, regulate sales, and eliminate profiteering. The most important point was said to be the establishment of a list of articles of primary necessity, and provision for price fixing on these articles. Wheat flour was on the list, and in December maximum wholesale prices of imported flour were set at from \$15.00 to \$17.35 per barrel, depending on the brand.

VEGETABLE OILS AND OILSEEDSBRAZILIAN VEGETABLE-OIL AND OILSEED
EXPORTS REDUCED . . .

Brazilian exports of all vegetable oils and oilseeds in 1942, with the exception of babassu oil, fell considerably below those of the previous year. Shortage of shipping space was primarily responsible, although drought did a great deal of damage to some crops. Shipments of cottonseed have been restricted since late in 1941. This was brought about by curtailed imports of olive oil and prospects of a reduced cotton crop in 1941-42.

BRAZIL: Exports of vegetable oils and oilseeds,
1938-1942

Commodity	1938	1939	1940	1941	1942
	1,000	1,000	1,000	1,000	1,000
	pounds	pounds	pounds	pounds	pounds
Castor beans	277,502	276,177	259,029	489,009	256,106
Castor oil	306	1,285	2,376	9,934	5,703
Babassu kernels	66,588	107,675	90,801	86,568	64,692
Babassu oil	13	639	1,221	71	1,448
Tucum nuts	1,986	11,069	4,043	13,935	a/ 7,881
Murumuru nuts	5,893	5,791	5,860	3,880	2,566
Oiticica oil	8,194	20,468	15,950	36,610	2,372
Cottonseed oil	68,947	51,197	58,005	73,762	37,793
Linseed oil	b/	b/	443	4	2

American Embassy, Rio de Janeiro.

a/ Shelled and unshelled. b/ If any, not separately reported.

Official estimates of oilseed production for all Brazil are not available at this time, but the outlook is bright. Reports from the State of Sao Paulo indicate that the output of refined cottonseed oil may be between 65,000 and 70,000 short tons. Domestic consumption averages around 45,000 tons; this should leave an exportable surplus of 25,000 tons.

Peanut production in the State of Sao Paulo has been stepped up; estimates for the January-February harvest vary from 20,000 to 50,000 short tons, compared with 8,000 tons last year. Peanuts are grown in all sections of the State, and two crops are produced annually. One is harvested in January-February and the other in May-June. Interest in this crop was stimulated by the relatively high prices paid at harvesttime last year. At that time the operators of oil mills realized that the supply of cottonseed would be insufficient to keep their mills operating the full season, so they bought peanuts as a substitute, paying about 2.5 cents per pound. A second crop of peanuts is now being planted, but it is too early to

estimate its size. Production could easily be increased by assuring growers a price equal to that paid last year, or contracting to purchase oil at about 5.5 cruzeiros per kilogram (12.80 cents per pound).

URUGUAYAN FLAXSEED CROP SMALLEST IN A DECADE . . .

Uruguayan flaxseed production, amounting to 1,829,000 bushels, is slightly below the 1942 harvest, although the planted acreage was larger. The severe drought that lasted throughout the season not only reduced the yield per acre, but also impaired the quality of the seed. This is the second year in succession that Uruguay has produced a small flaxseed crop, and it is possible that the exportable surplus will be small. The carry-over at the beginning of 1942 was probably much below that of previous years, and exports during the first 9 months were around 2,000,000 bushels, including oil in terms of seed.

URUGUAY: Area, production, and exports of flaxseed and oil, 1934-35 to 1942-43

Year	Area	Production	Yield per acre	Exports a/	
				Flaxseed	Linseed oil
		1,000		1,000	1,000
	<u>Acres</u>	<u>bushels</u>	<u>Bushels</u>	<u>bushels</u>	<u>pounds</u>
1934-35 ...	400,608	3,402	8.5	2,779	0
1935-36 ...	310,548	3,007	9.7	3,028	0
1936-37 ...	356,069	3,011	8.5	2,951	0
1937-38 ...	331,890	3,728	11.2	2,849	0
1938-39 ...	452,398	4,427	9.8	4,288	220
1939-40 ...	583,979	5,296	9.1	3,991	3,494
1940-41 ...	422,907	2,171	5.1	3,095	2,584
1941-42 ...	209,580	1,847	8.8	b/ 1,199	b/ 1,736
1942-43 ...	312,668	1,829	5.9	-	-

American Embassy, Montevideo.

a/ Calendar years 1935-1942. b/ January-September.

A decree of January 20, 1943, established a minimum price for the present flaxseed crop, and the exchange treatment was granted to flaxseed exports. Flaxseed placed on the dock at Montevideo will be 8 pesos per 100 kilograms (\$1.20 per bushel). Fifty percent of the exchange derived from flaxseed exports will be liquidated at the controlled rate, and 50 percent at the free rate of exchange, but the Bank of the Republic is empowered to modify this arrangement whenever expedient to maintain the minimum price established above. Exchange profits on these transactions will be used to maintain the minimum price when necessary or to facilitate the export of oilseeds and vegetable oils.

C O T T O N - O T H E R F I B E R S

NEW BRAZILIAN COTTON-LOAN RATE . . .

The Brazilian Government has announced a cotton-loan rate of 66 cruzeiros per arroba (10.45 cents per pound) for the crop now being harvested in the State of Sao Paulo. During a recent visit to Sao Paulo by the Federal Minister of Finance, the question of the new loan rate for cotton was discussed. Growers are reported to have asked for a loan of from 70 to 75 cruzeiros per arroba (11.08 to 11.88 cents per pound) this season. While no indication of the rate was given at that time, the Minister assured growers that it would not be less than the rate of 60 cruzeiros per arroba (9.50 cents per pound) for lint cotton and 20 cruzeiros (3.17 cents) for seed cotton of last year. The new rate for seed cotton is 22.20 cruzeiros per arroba (3.52 cents per pound).

The law establishing the new loan rate provides that the estimate of the planting seed required for next year's crop be submitted to the agency making the loan. Since the Government has control over the supply of planting seed, this proviso makes it possible to control acreage. If it should appear at the next planting season (about September-November 1943 in Sao Paulo and February-March 1944 in northeast Brazil) that the cotton acreage will be increased, the Government may control the distribution of planting seed and thus control the cotton acreage.

Loan rates established by the Brazilian Government have shown a considerable upward trend since the first loan in February 1941. Past loan rates and the date of their establishment for Sao Paulo type 5 lint cotton have been as follows:

<u>Date</u>	<u>Loan Level</u>	
	<u>Milreis or cruzeiros</u> <u>per 15 kilograms</u>	<u>Cents</u> <u>per pound</u>
February 15, 1941	36	5.62
June 5, 1941	45	7.03
March 30, 1942	50	7.93
June 19, 1942	60	9.53

Government loans on the Brazilian cotton crop and, in particular, the loan on the 1941-42 crop, were undoubtedly important factors in increased acreage for the 1942-43 crop. Planting seed distributed in Sao Paulo for the 1942-43 crop is reported unofficially to have totaled about 770,000 bags of 66 pounds each. This is the largest seed-distribution figure on record. Well-informed trade sources are of the opinion that the crop now being harvested in Sao Paulo will amount to about 375,000 metric tons, or 1,729,550 bales. Cotton in Sao Paulo is planted from September to November and harvested from March to July.

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T O B A C C OLOWER 1942-43 TOBACCO CROPS
IN SOUTH AFRICAN COUNTRIES . . .

The combined 1942-43 tobacco production in South African countries, as a result of reduced plantings and unfavorable weather conditions, is expected to be substantially below that of 1941-42. Sharp reductions are anticipated in Southern Rhodesia and Nyasaland, while the crop in the Union of South Africa may be somewhat higher than the 1941-42 crop, according to a report received in the Office of Foreign Agricultural Relations from Samuel H. Day, American commercial attache at Johannesburg.

Southern Rhodesia

It is officially estimated that the area planted to tobacco in Southern Rhodesia, principally flue-cured, for harvest in the spring of 1943, amounted to about 65,200 acres, representing a 14-percent reduction from the acreage planted in the 1941-42 crop year. The area of flue-cured and fire-cured types in 1941-42, which exceeded that of any previous year, totaled about 75,900 acres, from which was harvested 46,579,000 pounds of flue-cured and 938,000 pounds of fire-cured leaf. The flue-cured crop, as a result of a sharp increase in area and high yields, was the highest on record, exceeding the record 1940-41 crop by about one-third.

SOUTHERN RHODESIA: Area and production of tobacco, by types,
crop years 1935-36 to 1942-43

Crop year	Flue-cured		Fire-cured a/		Turkish		Total	
	Area	Pro- duction	Area	Pro- duction	Area	Pro- duction	Area	Pro- duction
		1,000		1,000		1,000		1,000
	Acres	pounds	Acres	pounds	Acres	pounds	Acres	pounds
1935-36..	37,810	20,709	1,734	1,009	1,953	684	41,497	22,402
1936-37..	36,939	20,344	1,967	960	1,883	745	40,789	22,049
1937-38..	45,657	25,180	1,481	826	1,849	703	48,987	26,709
1938-39..	59,689	22,424	1,237	442	1,767	576	62,693	23,442
1939-40..	59,957	34,459	1,326	618	1,987	624	63,270	35,701
1940-41..	63,740	34,927	1,130	675	2,449	1,068	67,319	36,670
1941-42..	74,376	46,579	1,505	938	b/	b/	c/75,881	c/47,517
1942-43..	63,800	b/	1,400	b/	b/	b/	c/65,200	b/
	:	:	:	:	:	:	:	:
	:	:	:	:	:	:	:	:

Economic and Statistical Bulletin of Southern Rhodesia, and consular reports.

a/ Including air-cured except for 1941-42 and 1942-43.

b/ Not available.

c/ Incomplete.

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The reduced acreage for the 1942-43 crops was principally due to a shortage of fertilizers and to a lack of adequate labor. It is believed that these factors, together with unfavorable weather conditions, will result in current crops being considerably below the record 1941-42 level. During the crop years 1935-36 through 1940-41, the average annual acreage planted to tobacco in Southern Rhodesia, including about 2,000 acres in Turkish types, totaled about 54,100 acres, from which was harvested an average of 27,829,000 pounds of leaf.

Favorable prices for the 1942-43 crops are expected as a result of the strong demand for Empire leaf in the United Kingdom, which normally takes about 85 percent of Southern Rhodesian tobacco production. Shipping facilities for the movement of the leaf are reported to be assured. In 1942 the average prices for the Southern Rhodesian flue-cured crop amounted to about 25 cents per pound, compared with the 1936-1939 average of approximately 19 cents.

Union of South Africa

The 1942-43 tobacco production in the Union of South Africa is expected to total about 25,200,000 pounds, representing an increase of about 9.6 percent over the 1941-42 crop of approximately 23,000,000 pounds. In recent years the average annual production of tobacco in the Union has been between 20,000,000 and 24,000,000 pounds. Tobacco prices, which are fixed by the Tobacco Control Board, have been quite satisfactory for the past few years. Prices for the 1941-42 crop ranged from 15 to 22.5 percent above 1939 prices.

Wartime conditions have stimulated the production of tobacco products, both for domestic use and for export. The increase in the volume of leaf required resulted in a duty-free quota of 3,400,000 pounds of Virginia-type leaf from Northern and Southern Rhodesia for the season ended May 31, 1942. A preliminary duty-free quota of 1,000,000 pounds of Virginia-type leaf from Southern Rhodesia has been established by the Tobacco Control Board for the 1942-43 season.

Nyasaland

Unfavorable weather conditions in most sections of Nyasaland will seriously affect the 1942-43 season. In addition to excessive rains, diseases and insect pests have been more prevalent than for some time. It is estimated that the current crop will fall below the record 1941-42 production, when approximately 23,000,000 pounds of leaf principally fire-cured and flue-cured, were harvested. Average production of tobacco in Nyasaland for the crop years 1935-36 through 1940-41 amounted to about 16,800,000 pounds.

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L I V E S T O C K A N D A N I M A L P R O D U C T S

UNITED STATES ACTIVE IN

SOUTH AMERICAN WOOL MARKETS . . .

United States demand for Argentine and Uruguayan wools of the finer qualities has been active since the first of the year, and prices of fine and medium wools in primary markets show a rising tendency. The difficult shipping situation, however, has slowed up exports, and stocks have accumulated. Total exports from those countries for the first 5 months of the season (October-February) amounted to only 94 million pounds, a decrease of 32 percent below 1941-42, and 51 percent below the pre-war 5-year average for the corresponding period. More than 90 percent of the exports during the first 5 months of 1942-43 went to the United States.

Drought conditions, which have caused liquidations of sheep to be heavier than usual in the past 3 or 4 months, indicate that there may be fewer sheep to shear in the last half of 1943 than would have been expected under normal conditions. It is too early as yet, however, to make a definite forecast of wool production in 1943-44.

Argentina

In mid-March, United States buyers were confining their purchases of Argentine wools to grades 44's to 58's, inclusive, with demand active, despite large accumulations of unshipped wool. Local exporters were surprised at the volume of United States buying, considering the accumulation of unshipped wool and the poor shipping prospects.

Earlier in the year it was estimated that even if the Flota Mercante del Estado (Government Merchant Marine) should be able to handle 12,000 bales (about 11,952,000 pounds) per month, it would take 3 months to remove the accumulation. Exporters were informed that the Flota would take no wool in March, and not much space could be assured for April.

The market is good for wools of 44's and finer, with the United States taking most of the wool grading between 44's and 58's and the local market buying the finer wools. The local wool industry has been stimulated to record activity, and local mills are buying the best wools at relatively high prices and thereby affording strong support for 44's and finer.

Supplies of coarse wools, 40's and below, are substantial, with prices as low as 4 pesos per 10 kilograms (5 to 6 United States cents per pound). These prices are described as ruinous to livestock men depending on wool and mutton. Approximately 32 percent of the Argentine wool clip, estimated at 518 million pounds for 1942-43, consists of low crossbreds. During the 4-month period, October-January, only 14 percent of the wool shipped consisted of low crossbreds.

**ARGENTINA: Sheep numbers and wool production and exports,
1934-35 to 1942-43**

Date of estimate	Number of sheep	Season (October-September)	Production	Exports
	: 1,000 head:		: Million pounds	: Million pounds
Average -		Average - 1934-35		
1934-1938	a/ 31,500	to 1938-39	370.0	322.0
June 30, 1938 ...	45,917	1938-39	399.0	357.3
June 30, 1939 ...	b/	1939-40	443.0	281.8
January 1, 1940 .	b/	1940-41	474.0	417.6
September 30, 1941:	49,780	1941-42	494.0	243.5
September 30, 1942:	50,902	1942-43	c/ 518.0	-
:	:	:	:	:
:	:	:	:	:

Compiled from official sources.

a/ Average of 1934 and 1937. b/ No estimate available. c/ Preliminary.

As a result of slow shipment this season, exports from Argentina from October through February, according to preliminary returns, are estimated at only 68 million pounds, a decrease of 40 percent compared with the same period of 1941-42, and 50 percent below the 5-year pre-war average for the corresponding months. Shipments to the United States amounted to approximately 60 million pounds, a reduction of 43 percent below a year earlier.

**ARGENTINA: Exports of wool to principal countries, October-February,
1942-43 with comparisons**

Month	1941-42				1942-43			
	United: States:	Sweden	Others: a/	Total	United: States:	Sweden	Others: b/	Total
	: 1,000 pounds:	: 1,000 pounds:	: 1,000 pounds:	: 1,000 pounds:	: 1,000 pounds:	: 1,000 pounds:	: 1,000 pounds:	: 1,000 pounds:
October-	:	:	:	:	:	:	:	:
December:	53,054:	1,817:	2,755:	57,626:	32,608:	1,376:	2,229:	36,213
January .:	39,969:	-:	1,859:	41,828:	17,176:	512:	1,208:	18,896
February.:	12,769:	229:b/	593:	13,591:	10,033:	-:	2,476:	12,509
Total .:	105,792:	2,046:	5,207:	113,045:	59,817:	1,888:	5,913:	67,618
:	:	:	:	:	:	:	:	:
:	:	:	:	:	:	:	:	:

Compiled from official sources.

a/ Principally Japan and other South America.

b/ Principally other South America.

Commercial stocks in all hands, exclusive of wool sold to occupied countries and held to their account, were estimated at 141 million pounds as of January 1, 1943, an increase of 20 percent compared with the same

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date a year earlier. Exporters held 42 million pounds, or 2 percent less than a year earlier, whereas dealers' stocks amounted to 58 million pounds and were 26 percent above a year earlier.

ARGENTINA: Commercial stocks of sold and unsold wool, by months,
November 1940 to January 1943

First of month	Ex- porters	Dealers	Scouring mills	Manu- fac- tures	Packing plants	Others	Total
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
1940-41							
November	43,578	17,361	10,024	6,426	3,542	320	81,251
December	a/	a/	a/	a/	a/	a/	119,648
January	67,024	48,534	12,954	6,596	4,081	605	139,794
February	69,328	42,974	14,160	6,757	3,666	678	137,563
March	75,968	38,697	15,434	8,197	3,391	468	142,155
April	74,253	41,237	16,398	8,424	3,205	523	144,040
May	73,671	42,176	17,419	9,213	3,120	515	146,114
June	67,619	29,050	18,256	10,445	2,617	550	128,537
July	53,428	16,744	22,608	10,968	2,456	580	106,784
August	46,316	13,391	20,106	10,891	2,716	573	93,993
September	14,937	11,213	14,910	9,502	2,480	566	b/ 53,658
October	11,417	2,291	10,344	9,323	2,557	675	c/ 36,607
1941-42							
November	17,804	19,326	11,263	8,161	3,051	657	d/ 60,262
December	27,643	40,584	12,661	8,437	3,353	593	e/ 93,271
January	42,562	46,089	16,420	9,178	3,221	716	f/ 118,186
February	51,473	54,473	20,686	8,768	2,590	743	f/ 138,733
March	50,369	63,334	21,078	12,857	2,668	683	g/ 150,989
April	58,160	66,691	25,569	12,668	3,371	747	f/ 167,206
May	64,257	76,389	26,513	17,194	4,890	827	h/ 190,070
June	60,668	77,408	28,215	16,887	5,849	941	i/ 189,968
July	43,755	69,306	25,772	16,819	4,900	983	c/ 161,535
August	34,952	65,271	21,281	17,529	5,974	1,056	f/ 146,063
September	33,543	55,029	17,712	13,596	6,655	1,036	g/ 127,571
October	34,178	40,503	17,463	15,589	6,287	1,027	g/ 115,047
1942-43							
November	31,669	38,316	17,352	13,955	8,177	990	e/ 110,459
December	35,159	43,257	18,574	11,757	8,763	994	j/ 118,504
January	41,555	58,228	20,424	10,359	9,817	1,089	j/ 141,472

Compiled from official sources.

a/ Not available

b/ Excludes 23 million pounds sold.

c/ Excludes 29 million pounds sold.

d/ Excludes 22 million pounds sold.

e/ Excludes 25 million pounds sold.

f/ Excludes 28 million pounds sold.

g/ Excludes 27 million pounds sold.

h/ Excludes 30 million pounds sold.

i/ Excludes 26 million pounds sold.

j/ Excludes 32 million pounds sold.

Uruguay

Although Uruguay is now guaranteed a market in the United States for most of the wool carried over last year and part of the current wool clip, clearances have been slow so far this season. Wool has been delayed in arriving from the interior due to the scarcity of liquid fuel. Heavy demand and scarcity of wool on the market have resulted in high prices, with a tendency to increase.

Apparent supplies ^{1/} as of March 1 for export to all destinations during the remainder of the season amounted to 146 million pounds, an increase of 56 percent above the same period of the preceding season. Complete exports through the month of March are not yet available. On March 31, however, it was reported by cable from Montevideo that there were 55 million pounds of the current wool clip available for United States buyers. Also 5 million pounds of inferior wool from the 1941-42 clip remained unsold. Receipts at Montevideo for the first 5 months of the season (October-February) totaled approximately 80 million pounds against 92 million a year earlier.

URUGUAY: Wool movement, average 1934-35 to 1938-39,
seasons 1939-40 to 1942-43 ^{a/}

Season	Carry- over b/	Pro- duction b/	Total apparent supplies	Con- sump- tion b/	Export- able surplus b/	Receipts at Monte- video c/	Actual exports c/
	: Million pounds	: Million pounds	: Million pounds	: Million pounds	: Million pounds	: Million pounds	: Million pounds
Average 1934-35: to 1938-39 ...	11.0	125.4	136.4	5.0	131.4	117.9	115.0
Annual -	:	:	:	:	:	:	:
1939-40	9.4	133.9	143.3	6.6	136.7	130.8	106.4
1940-41	26.5	139.0	165.5	9.0	156.5	134.2	145.2
1941-42	9.5	116.6	126.1	9.0	117.1	111.9	57.8
1942-43	58.8	d/122.0	180.8	9.3	171.5	-	-

Compiled from official sources.

a/ Balance between exportable surplus, exports, and stocks not exact, as details are not available to convert exports to greasy basis.

b/ Greasy basis.

c/ Actual weight.

d/ May exceed this amount.

Uruguay has shipped slightly more wool so far this season than a year ago, when exports were the smallest on record. Exports from October

^{1/} Estimated exportable surplus minus exports and estimated consumption for the season through February.

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through February totaled 26 million pounds against 23 million last year and a pre-war, 5-year average for this period of 55 million pounds. The United States has taken practically the total, only small quantities going to Sweden and other Latin American countries.

Stocks at the end of the 1941-42 season (September 30, 1942) totaled 59 million pounds, mostly fine and fine crossbreds, or approximately half of the 1941-42 wool production. Uruguayan holders had underestimated the ability of the United States to maintain contact with Australia, normally the principal source of fine-wool imports, and had held their wool at prices above world levels until too late in the season. At the end of the season, therefore, they were faced with a carry-over so large as to constitute a serious economic threat to the important sheep industry.

URUGUAY: Exports of wool to principal countries, October-February, 1942-43 with comparisons

Month	1941-42				1942-43			
	United States	Sweden	Others a/	Total	United States	Sweden	Others b/	Total
	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	pounds	pounds	pounds	pounds	pounds	pounds	pounds	pounds
October-December:	9,188	1,929	392	11,509	3,743	1,741	331	5,815
January	4,439	-	36	4,475	7,245	-	-	7,245
February	7,179	27	178	7,384	12,074	-	507	12,581
Total	20,806	1,956	606	23,368	23,062	1,741	838	25,641

Compiled from official sources.

a/ Principally Japan, Mexico, and Brazil.

b/ Principally Brazil.

Representations were made to the United States Government, and negotiations were successfully concluded at the end of November for the purchase of 30,000 bales (about 30,420,000 pounds) by the Defense Supplies Corporation of the United States at 37 cents per pound for supers and 35 cents for good to excellent grade (bonne a belle). Furthermore, the United States Government guaranteed the sale in the United States at 35 cents and 33 cents, respectively, for the two grades specified, of a minimum of 37,500 bales of the 1942-43 wool clip.

Wool production for the current season (1942-43) is estimated at approximately 122 million pounds ^{1/} compared with 117 million a year earlier and a pre-war 5-year average of 131 million pounds.

* * * * *

^{1/} This estimate may be exceeded.

GENERAL AND MISCELLANEOUS

FOREIGN EXCHANGE . . .

EXCHANGE RATES: Average value in New York of Chinese, Japanese, and some European currencies during last full months for which rates were available, and current official rates

Country	Unit	New York rates <u>a/</u>	Current official rates
		Month Cents	Cents
Belgium	Belga	April 1940 16.89	<u>b/</u> 16.00
Denmark	Krone	March 1940 19.31	: 20.88
France	Franc	May 1940 1.85	<u>c/</u> 2.00
Germany	Reichsmark	May 1941 <u>d/</u> 39.97	: 40.00
Greece	Drachma	September 1940: <u>d/</u> 0.66	: 0.67
Italy	Lira	May 1941 <u>d/</u> 5.09	: 5.26
Netherlands.	Guilder	April 1940 53.08	: 53.08
Norway	Krone	March 1940 22.71	: 22.86
Portugal	Escudo	May 1941 4.00	<u>e/</u> 6.67
Spain	Peseta	May 1941 <u>d/</u> 9.13	: 9.13
Sweden	Krona	May 1941 23.84	: 23.81
Switzerland	Franc	May 1941 23.20	: 23.20
China	Yuan (Shanghai):	June 1941 <u>d/</u> 5.34	<u>f/</u> 5.31
Japan	Yen	June 1941 23.44	: 23.44

a/ Noon buying rates for cable transfers as reported by Federal Reserve Board. Last daily rate reported on April 8, 1940, for the Danish and Norwegian kroner; on May 9, 1940, for the belga and guilder; on June 15, 1940, for the French franc; on October 25, 1940, for the drachma; on June 14, 1941, for the other above-mentioned European currencies; and on July 26, 1941, for the yen and yuan (Shanghai).

b/ Based on German official rate for United States dollar.

c/ Based on German official rate for United States dollar in occupied area; in unoccupied area, official rate is 2.28 cents.

d/ Quotations nominal.

e/ Rate for currency; for checks, 4.09 cents to the escudo.

f/ Rate set August 18, 1941, by Chinese Stabilization Board.

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EXCHANGE RATES: Average value in New York of specified currencies, week ended April 3, 1943, with comparisons a/

Country	Monetary unit	Month ended				Week ended		
		1941	1942	1943		1943		
		Mar.	Mar.	Feb.	Mar.	Mar.	Mar.	Apr.
						20	27	3
		Cents	Cents	Cents	Cents	Cents	Cents	Cents
Argentina b/	Paper peso	29.77	29.77	29.77	29.77	29.77	29.77	29.77
Australia c/	Pound	321.50	321.30	321.50	322.80	322.80	322.80	322.80
Brazil d/	Cruzeiro	5.14	5.06	5.14	5.13	5.13	5.13	5.13
British India	Rupce	30.12	30.14	30.12	30.12	30.12	30.12	30.12
Canada e/	Dollar	88.38	84.98	87.67	90.04	89.92	89.85	90.10
Mexico f/	Peso	20.57	20.53	20.57	20.57	20.57	20.57	20.57
New Zealand	Pound	322.78	322.55	322.78	323.30	324.42	324.42	324.42
South Africa	Pound	398.00	398.00	398.00	398.00	398.00	398.00	398.00
United Kingdom g/	Pound	403.50	403.50	403.48	403.50	403.50	403.50	403.50

Federal Reserve Board.

a/ Moon buying rates for cable transfers.

b/ Official, regular exports. The special export rate of 23.70 cents, reported beginning March 27, 1941, applies to exchange derived from certain minor exports (e.g. dairy products) to certain countries (e.g. United States, such exchange formerly having been sold in the free market. Quotations nominal.

c/ Free prior to February 2, 1943. Quotation of free rate discontinued after February 1, 1943, when regulations were issued by the British Treasury transforming all free sterling balances into registered sterling, convertible into dollars at the official rate. Prior to February 2, 1943, most transactions between those countries and the United States took place at the official buying and selling rates.

d/ Free. Under law of October 6, 1942, the cruzeiro became the unit of currency, replacing the milreis. The cruzeiro has the same value as the milreis. Since April 10, 1939, 30 percent of the exchange derived from exports must be turned over at the official buying rate of 5.06 cents, the weighted average value of the milreis being 5.42 cents in 1942, the value of the cruzeiro 5.41 cents in March 1943, and 5.41 cents in the week ended April 3, 1943.

Quotations nominal.

e/ Free. Most transactions between Canada and the United States take place at the official buying and selling rates.

f/ Prior to October 22, 1941, quotations nominal.

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